

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- V. -

AHARON WEICHSELBAUM,

Defendant.

INFORMATION

07 Cr. ()

07CRM 540

COUNT ONE

(Mail Fraud)

The United States Attorney charges:

Relevant Persons and Entities

1. At all times relevant to this Information, Paul L. Forchheimer, Inc. ("Forchheimer") was a small securities broker-dealer located at 61 Broadway, in New York, New York. Forchheimer was registered with the Securities and Exchange Commission ("SEC") and a member of the NASD.

2. At all times relevant to this Information, AHARON WEICHSELBAUM, the defendant, was the Chief Financial Officer, Chief Operating Officer, and Vice President of Forchheimer. WEICHSELBAUM was an authorized signatory for all Forchheimer bank and brokerage accounts.

The Fraudulent Scheme

3. From at least in or about January 2001 through in or about December 2006, AHARON WEICHSELBAUM, the defendant, engaged in a scheme to defraud Forchheimer customers by selling securities

owned by Forchheimer customers without the customers' knowledge or consent, and then misappropriating the proceeds of those sales into his personal bank account.

4. Among other things, Forchheimer purported to purchase securities and invest in mutual funds on behalf of its customers. The securities that Forchheimer purchased on behalf of its customers were held in an omnibus account that Forchheimer maintained with a large brokerage firm (the "Brokerage Firm").

5. During his tenure at Forchheimer, AHARON WEICHSELBAUM, the defendant, was responsible for, among other things: (1) entering orders to purchase and sell securities in Forchheimer's omnibus account at the Brokerage Firm on behalf of Forchheimer customers; (2) placing orders with various mutual funds on behalf of Forchheimer customers; and (3) creating and disseminating periodic account statements to Forchheimer customers.

6. Beginning in or about January 2001, AHARON WEICHSELBAUM, the defendant, placed orders with the Brokerage Firm to sell securities held in the omnibus account for Forchheimer customers without obtaining the customers' authorization to sell such securities. WEICHSELBAUM then misappropriated the proceeds of the sales by, among other things: (1) writing checks payable to himself; (2) wire-transferring funds to his personal bank account; and (3) wire-transferring funds to other Forchheimer bank or

brokerage accounts, from which he then wrote checks to himself or paid his personal expenses.

7. AHARON WEICHSELBAUM, the defendant, also caused various mutual funds to sell positions on behalf of Forchheimer customers without obtaining the customers' authorization to sell such securities. WEICHSELBAUM placed the proceeds of such sales in Forchheimer bank and brokerage accounts and then misappropriated the funds by, among other things, writing checks to himself or paying his personal expenses.

8. To conceal the sale of the customers' securities and the subsequent misappropriation of their funds, AHARON WEICHSELBAUM, the defendant, fabricated and disseminated fraudulent periodic account statements to Forchheimer customers. These fabricated account statements, among other things, falsely and fraudulently represented that customers held positions in securities that WEICHSELBAUM had already sold.

Statutory Charge

9. From in or about January 2001 through in or about December 2006, including, in particular, on or about June 22, 2005, in the Southern District of New York and elsewhere, AHARON WEICHSELBAUM, the defendant, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, unlawfully, willfully, and

knowingly, would and did place in post offices and other authorized depositories for mail matter, and deposit, and cause to be deposited, any matter or thing whatever to be sent and delivered by the Postal Service and by any private and commercial interstate carrier, and would and did take and receive therefrom, any such matter or thing, and knowingly would and did cause to be delivered by mail and by such carriers according to the direction thereon, and at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter and thing, to wit, on or about June 22, 2005, the defendant mailed a fraudulent account statement from Forchheimer's offices in New York, New York to a customer in Switzerland, in furtherance of the scheme to defraud.

(Title 18, United States Code, Section 1341).

Michael J. Garcia
MICHAEL J. GARCIA
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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Title 18 U.S.C. § 1341

MICHAEL J. GARCIA
United States Attorney.

6/13/07 - Waver of Indictment and Information filed.
Def. present w/atty Susan Brune, USA Rhoad being present.
At 1st. present. deft. pleads guilty as charged. Plea
Agreement marked as Ct Off A, Ct. accepts guilty plea
PSI ordered. Deft. sentencing date set for 9-10-07
at 10 AM. Bail can't be set. Bates T.